

Hyde ABC Board Meeting

12.12.16

6:30 pm

Call to order: 6:33

Opening: All Board members present. Finance Officer and General Manager

Consideration of Agenda and Ethics Reminder:

Approval of Prior Board Minutes: Adopted

Old Business:

1. **Compiling a new list of possible Auditors for this year.** Moniqua sent us a list as she said she would. Vicki has forwarded the list to Gary. Gary thinks we will most likely have to pay around \$7000 instead of the \$5800 that we have paid the last 2 years.
2. **Meredith will meet with the County Commissioners** at their Jan. Meeting. She will discuss the Audit findings with them.
3. **Gary is still working with the State on the 2009 taxes** that are not correct. Gary thinks we owe about \$1500 but the State thinks it is \$7900 with the penalties. We were able to find the entire year of sales and Gary is going to amend the year and resend the paperwork for the State to compare to what they have.
4. **Sold Out presentation** at Mattamuskeet Schools. Sold out will be presenting their abstinence program on April 7th 2017 to the 2 high schools and a separate presentation for the middle schools. We paid Roman Gabriel \$2700.00 for the presentation from the 2016 funds accumulated.
5. **Truck repairs:** The ADS light and engine light are both on. Lee Chevrolet will have to order the parts and sensors needed to repair. Gary will also talk with them before they start. It will be scheduled in January when Vicki takes it in to have the truck inspected. They estimated it to cost near \$2000.
6. **Carolina Data Systems:** Gary and Vicki have schedule Jan. 17th to go visit the Sales Department in New Bern for the computer software upgrade. This is the system that the State prefers us to have. It will figure the taxes, Liquor prices and updates and send out our Liquor Orders. This will save hours of work and without errors. The system is a \$10,000.00 plus investment.

Gary's financial Statement:

Balance Sheet:

- Our Checking and Savings Accounts are up \$28,290 over last year.
- Inventory is up \$9,515 over last year.
- Accounts Payable are down \$8,829.32.
- Total Liabilities are down \$19,244.
- Overall this is a significant improvement over a year ago. With more cash, more inventory and less in debt, we enter the off-season in a strong position.

MTD Profit/Loss:

- Sales increased \$4,061 from \$45,118 last year to \$49,179 this year.
- Gross Profit improved \$1,089.
- General Expenses increased \$2,860. This was due to our having three payrolls in November which increased payroll expense by \$2,825.
- Administrative Expenses, on the other hand, dropped \$6,033. As noted last month, we paid our auditor \$5,800 in November last year.
- Net Loss decreased from \$6,746 last year to just \$2,473 this year.

YTD Profit/Loss:

- Sales are up \$7,068 from last year.
- Gross profit only increased \$365. This seems like an unusually low increase and results from increased Taxes of \$5,334 and Cost of Sales of \$4,968. The ratio of our Gross Profit to Total Income was 34.3% last year and is 33.8% this year, a drop of .5% which is not large.
- General Expenses increased by \$5,561 over last year. This is largely due to increased Salaries and Wages of \$5,530.
- Administrative Expenses dropped \$547.

- Net Profit is \$34,351, dropping from \$39,031 last year.

Overall, our results remain strong. I will be watching the monthly Taxes and Cost of Goods Sold area to try to determine why we continue to experience puzzling month to month fluctuations in these expenses as compared to our Sales. Normally we would expect the ratio between our Sales and COGS to remain constant from month to month. As noted earlier, the YTD fluctuation is only .5% which seems to indicate that these fluctuations even out over several months.

General Manager Remarks: Sales were up 12.7% across the state. Tyrell, Dare and Beaufort Counties hit the mark. We were up by 9 %. Out of 149 boards 68 boards were below 12.7%. November has been in our bottom 3 slow months in the past 4 years. We did the best out of 4 years for November thanks to Ocracoke great weather.

A big thank you to our Board member John Giagu and F.O. Gary Davis and Ronnie Faulkner! They saved Ocracoke Christmas by bringing a table for the Christmas displays and John made a shelf and attached it so we could display another level of gifts. It gave a small space a little character and Vicki was well pleased!

Meredith reminded Gary to compute the 3.5 bottle tax. Our next meeting would be Jan 9th, unless the C. Commissioners choose that date for their next meeting. She wished all a Merry Christmas!

Adjourned 6:52